Distr.
LIMITED

ECA/MULPOC/LUSAKA/VII/5/(II)(b)
February 1984

Original : ENGLISH

ECONOMIC COMMISSION FOR AFRICA
Joint ECA/FAO Agriculture Division

Seventh Meeting of the Committee of Officials (5-9 March 1984) and Seventh Meeting of the Council of Ministers (12-14 March 1984)

ECA Multinational Programming and Operational Centre for Eastern and Southern Africa

5-14 March 1984, Addis Ababa

LC/NAIROBI

PROGRESS REPORT ON THE IMPLEMENTATION OF THE REGIONAL FOOD PLAN FOR AFRICA (AFPLAN)

Distr.
LIMITED

ECA/MULPOC/LUSAKA/VII/5/(II)(b)
February 1984

Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA
Joint ECA/FAO Agriculture Division

Seventh Meeting of the Committee of Officials (5-9 March 1984) and Seventh Meeting of the Council of Ministers (12-14 March 1984)

ECA Multinational Programming and Operational Centre for Eastern and Southern Africa

5-14 March 1984, Addis Ababa

TABLE OF CONTENTS

		Page
I.	MONITORING THE IMPLEMENTATION AT COUNTRY AND SUBREGIONAL LEVELS	1
II.	FOOD WASTE AND LOSSES REDUCTION - EAST AND SOUTHERN AFRICA	5
III.	IMPROVEMENT OF AGRICULTURAL MARKETING INSTITUTIONS FOR FOOD CROPS AND LIVESTOCK PRODUCED BY SMALL FARMERS	8
IV.	AGRICULTURAL PRICING POLICIES IN AFRICA	12
V.	ECA/FAO PROJECT ANALYSIS TRAINING SEMINAR FOR EASTERN AND SOUTHERN AFRICA SUBREGION	16
VI.	INSTITUTIONAL PROBLEMS OF SMALL FARMERS	26

MONITORING THE IMPLEMENTATION AT COUNTRY AND SUBREGIONAL LEVELS

Background

The Lagos Plan of Action (LPA) for the implementation of the Monrovia Strategy adopted by the Heads of State and Governments in 1980 is Africa's strongest appeal to political will ever formulated for social and economic development of the region. The region's resources, both domestic and external, human and physicial, are to be concentrated on the programmes spelt out in the Plan which concretizes programmes outlined in the Regional Food Plan for Africa (AFPLAN), a document jointly prepared by FAO and ECA and adopted by African Ministers of Agriculture in 1978, and e endorsed by the ECA Ministers in the following year. AFPLAN was updated in 1980 to take account of the FAO study, Agriculture: Toward 2000.

The food and agriculture sector is the first priority area in the Lagos Plan of Action, hence the plan has accorded highest priority to policies, strategies and programmes for increasing food availability through policy reorientation aimed at the expansion of food crops, livestock and fisheries; prevention of post-harvest food losses; establishment of food security programmes; and improvement of food and agricultural institutions.

Overall Objective

The main objectives of the LPA/AFPLAN programme is to achieve food self-sufficiency with a view to reducing the region's growing food import dependency, combating hunger, and alleviating malnutrition. It is believed that it is within the African countries' capability to improve the overall food self-sufficiency ratio (SSR) 1/, especially if countries vigorously pursue appropriate national policies and strategies. In this connexion, the LPA/AFPLAN analyses the food situation and prospects in Africa and proposes short-, medium-, and long-term development policies and programmes for food development at the national and inter-governmental levels.

Assessment of Progress made

At the national level, individual national governments are encouraged to prepare and implement priority policies for food self-sufficiency. At the inter-governmental level, African countries are urged to undertake joint ventures for increased food production and intra-subregional and regional trade. The focus at both levels should be on priority measures which could be taken to bring about an immediate improvement in the food situation while contributing to the long-term objective of food self-sufficiency. Provision is provided for policy direction and the specific framework of restructuring and transforming the African food and agricultural sector.

1/ SSR: $\frac{\text{Domestic production x 100}}{\text{Domestic utilization (demand)}}$.

At the National level

Information on what is happening at the country level with regard to the implementation of LPA/AFPLAN by the countries of the subregion has been quite difficult to obtain. What little information is available would indicate however that perceptible progress is being made by a few countries in adopting policies and programmes to implement necessary institutional and policy reforms in order to improve food self-sufficiency. Some countries have prepared food plans which have been incorporated in their national development plans. A few countries like Malawi and Kenya, recently managed to improve the food and agricultural production as a result of sustained efforts at favourable policies and decisive actions taken by governments and implemented at the farm level. Inspite of droughts in both Kenya and Malawi, the production increased sharply in 1982 over that of 1981 due to producer incentives including higher prices (37 per cent for Kenyan maize growers). Where improvements have been made, this has generally been as a result of awareness on the part of African Governments of the desirability to bring about appropriate policy changes aimed at resolving food and agricultural problems, especially where this awareness has been translated into concrete programme of action. The successful cases clearly demonstrate that agriculture can prosper only in a favourable policy environment.

On the whole however, none of the countries of the subregion appears to have managed to keep the pace of food production ahead of population growth in recent years. In the case of others such as Angola, Mozambique and Somalia, the drop in their food production was particularly severe during the 1970s up to 1982 during which period per capita food production declined by more than 20 per cent. This dilemma has persisted notwithstanding the assistance countries are receiving from such organizations like FAO, UNDP, the World Bank and others whose resource allocation give emphasis to the elimination of hunger and poverty.

Part neglect of the food producing sector and the present slowness in implementing the adopted plans, resolutions and other policy pronouncements are the major causes of the current poor performance of African agriculture and the continuing food dilemma. The slowness on the part of many countries in the implementation of LPA and AFPLAN objectives is further aggravated by inadequate monitoring of these efforts at the country level. Member States are not as yet complying fully with the requirement of LPA for countries to report regularly to OAU, ECA and FAO on progress, problems and prospects at the country level. At the same time, the strategy review missions proposed under LPA as of means of monitoring implementation progress by countries have not taken place as expected due to organizational and financial constraints.

At the subregional level

In contrast to activities at the national level for which there is little up-to-date information available, enough evidence exists at the subregional level on the efforts being made by countries to improve their food self-sufficiency position. Current efforts include inter-country harmonization and co-ordination of food security programmes and policies among the countries of the Preferential Trade Area (PTA), and the Southern African Development Co-ordination Conference (SADCC); the feasibility of establishing a subregional maize research and distribution centre for the Eastern and Southern African countries; and subregional project on project analysis training course for countries of the area. Other programmes and projects include multinational co-operation in livestock disease control and lake/river basins development such as the Vagera River and Lakes Tanganyika and Victoria, and the various programmes under the SADCC group of countries.

Despite these subregional efforts, the area as a whole has been performing rather poorly over time. Lagging food production has been accompanied by chronic malnutrition and rising food imports alongside slackening growth of exports.

During the period 1982-1983, there was a decrease of 1 per cent in the subregion's total agricultural production, and this was accounted for mainly by the decrease of about 8 per cent in the non-food sector. The production of cereals declined by some 30 per cent, while that of roots and tubers increased by about 3 per cent. Pulses performed better at 11 per cent increase in production.

The overall performance of the sector indicates that countries have not moved as fast as they had pledged for themselves. A rededication of effort in this direction will therefore be required.

Future programme orientation

The improvement made in food production by countries can be closely associated with the realization by governments that the improvement in agriculture is not only vital for their overall economic advancement but also crucial in their ability to feed their people as well as being an important measure in averting social and economic instability. Future ECA programme will endeavour to improve this awareness and assist member countries to effectively implement their individual as well as collective programmes. The secretariat will also continue to evaluate food development programmes and projects of countries and their organizations with a view to reorientating them, as required, and proposing guidelines for new strategies and policies.

Whereas the other sectors of the Lagos Plan of Action cover the period 1980-2000, the agriculture chapter is only for the period 1980-1985. The ECA work programme and priorities (agriculture) for the biennium 1984-1985 calls for a report, to be presented to the ECA Ministers Conference early 1985, on the monitoring of implementation of the Plan for the period 1980-1985 and the formulation of proposals and recommendations for 1986-1990. The form a d nature of proposals and recommendations which should constitute the extended Plan will require the involvement not only of ECA, OAU, FAO and others but also, in a very serious way, the member States themselves. The part decade has been a difficult one for the region, but the future could be worse if nothing is done now without any further delays. A stronger commitment from Africa countries is therefore urgently required.

Decisions to be made by the meeting

As already mentioned, the agriculture plan period is soon coming to an end with African food and agriculture problems still largely intact. This ought to be borne in mind when extending the agriculture chapter to 1986-1990 and possibly, the year 2000. No doubt the inter-agency which prepared the 1980-1985 plan will be coming up with proposals and recommendations, but full collaboration of ECA member States will be required. Specifically:

(a) Contribution from countries of the subregion should consider what LPA has achieved during the period 1980-1985 and on this basis give guidance on Plan's future emphasis. Concretely, countries should participate fully in these preparations and provide the needed input for the 1986-1990 Plan. Countries should also indicate areas of priority for the next decade.

(b) Monitoring of the Plan should also be initiated and strenghthened at the country level, and report on progress and problems submitted to OAU, ECA and FAO as provided for in the LPA. The MULPOC as the catalytic agent for economic development for the subregion, should devise means and mode of monitoring at the national level, including the designation of a contact Ministry and a senior official most directly concerned.

(c) Countries should take initiative in fielding strategy review missions.

FOOD WASTE AND LOSSES REDUCTION - EAST AND SOUTHERN AFRICAN SUBREGION

I. Introduction

The economies of the East and Southern African countries are predominantly agricultural, contributing nearly 35 per cent of the total GDP while engaging about 80 per cent of the economically active population. With rapid urbanization, natural calamities and growing population, the subregion is increasingly faced with serious food deficits.

There are basically three approaches to resolve food and agricultural difficulties: these are by (i) increasing land under cultivation; (ii) increasing yield; and (iii) reducing post-harvest food waste and losses of the major food commodities for the subregion i.e. maize, millet/sorghom, rice, wheat, rootcrops pulses, meat, milk and fish. While the first two approaches are common, the third one has not recently been given the attention it merits.

II. Origin of the food waste reduction project

The resolution No. 3362(S-VII) of the seventh session of the General Assembly adopted in 1975 stated that post-harvest food losses in developing countries should be reduced by 50 per cent by 1985. In addition, in 1977, the Ninteenth Session of the FAO Conference approved the Director-General's proposal to establish and Action Programme for the Prevention of Food Losses. As follow-up to the resolution, in 1976, the Economic Commission for Africa orgahized an expert consultation on "Increasing food availability through Waste Reduction" held in Monrovia (Liberia) for Western African countries. A similar meeting was also held in 1982, in Lusaka (Zambia) in conjunction with the first meeting of the PTA Agriculture Technical Committee.

These studies have also been in response to the Lagos Plan of Action (LPA), which indicated that, "the objective should be to make significant progress towards the achievement of a 50 per cent of reduction of post-harvest losses during the Plan period".

The recommendation action includes:

(a) Careful assessment of the extent of food losses;

(b) Formulation of national policies for food losses reduction;

(c) Mass media campaigns to educate the public on methods of reducing food waste;

(d) Construction of appropriate storage processing and other facilities;

(e) Establishment of central technical units;

(f) Promotion (through research, infrastructural development and incentive to farmers and fishermen) of improved methods of drying preservation, storage, pest control, and processing;

(g) Improvement of livestock routes and holdings grounds;

(h) Training of technical staff for food loss control work, preferably through subregional/regional institutions, seminars, and workshops.

III. General Causes of Food Waste and Losses

The period of post-harvest food waste and losses commences at the time when food commodities are separated from the medium of their immediate growth or production and ends when they enter the process of preparation for final consumption. "This period also corresponds to the agricultural marketing and distribution period in which crop protection activities have ended, but before meal preparation activities begin 1/.

Generally, food waste and losses may have economic, quantitative, qualitative, nutritional or germinative dimensions. They are considered to be economic when they entail a reduction in monetary value. They are quantitative when they result in weight reduction. They are qualitative when they are described in relation to certain accepted quality standard. If they reflect a combination of both quantity and quality and are difficult to measure, they are reconed to be nutritional or germinative.

The causes of food waste and losses are numerous. These include biological factors, mechanical damage, bio-chemical change, climate, animals, socio-cultural barriers and poor handling.

Results to-date

Apart from the meetings on food losses which were held for the West and East and Southern Africa which have already been mentioned above, in 1982, ECA held an inter-agency workshop on the Prevention of Food Losses and Encroachment on Arable Land in which various recommendations were made.

These efforts and field missions to member States and discussions with officials have created a general awareness on the part of member States. It is gratifying to note that member States are taking appropriate measures to redress this problem though a lot of work still remains to be done. The international organizations, especially FAO are also continuing to give a lot of emphasis in this field.

Follow-up action

The ECA has plans to organize more workshop(s) on food waste reduction in each of the five African subregions. During these consultations, ECA intends to continue to assist and inform member countries on the extent and status of food waste in the region.

The member States on their part are requested to continue to assist ECA in monitoring food losses activities in Africa. Countries are therefore requested to regularly inform ECA on activities at the country level, in particular with respect to data on this subject matter.

IMPROVEMENT OF AGRICULTURAL MARKETING INSTITUTIONS FOR FOOD CROPS

AND LIVESTOCK PRODUCED BY SMALL FARMERS

This was a regional project, which was prepared in 1976 by JEFAD (Agricultural Marketing Section) and submitted to the United States of American Government for funding on bilateral basis. The expert, who was recruited end of 1979, worked for the region as a whole and, of course, including the Lusaka MULPOC.

I. Background

Food shortage in developing Africa has been of much concern to the Economic Commission for Africa. Its importance was climaxed by the world Conference and its out-growing agencies. In 1980, the Summit of the OAU Heads of State and Government adopted the Lagos Plan of Action which placed a special emphasis on food and agriculture problems. In Africa, this problem has been accentuated by the following factors:

(a) Historical negligence in all aspects of non-exportable food crops and livestock products and undue concentration on exportable agricultural "produce" (raw materials);

(b) The bulk of food and livestock products are produced by subsistence farmers with little means and incentives to increase their output significantly beyond their immediate consumption needs; and

(c) The rapidly growing urban population caused, inter-alia, by rural to urban migration and resulting in increased demand for food, largely satisfied from food imports rather than from domestic production sources, thereby causing chronic problems of balance of payments and inhibiting development.

The small farmer must, therefore, be given the means to increase food and livestock marketable surplus through the improvement of production, marketing and pricing systems and the appropriate instituions that evolve equitable level of these. The commercialization of the subsistence sector involves two mutually dependent activities - increasing production and productivity and evacuating the marketable surplus from farms. Existing marketing institutions used by food growers and livestock keepers in disposing of any surplus that might be available are unsatisfactory. They have failed for decades to provide the necessary incentives (physical and economical), to the producers of food crops and pastoralists to increase their output.

The project has, therefore, considered it desirable that appropriate marketing institutions be prescribed for the various food crops and livestock farming communities and nomadic populations, where effective and incentive generating marketing system could evolve. This was clearly stated in the Lagos Plan of Action, approved by the Heads of States and Government of the OAU in Lagos (28-29 May 1980), which said inter-alia, that "for an improvement of the Food situation in Africa, ... there is need to carry through essential reorientation of social systems, to apply policies

that will induce small farmers and members of agricultural co-operatives to achieve higher level of productivity ... food development ... should take into consideration the problem of transportation and distribution, (food marketing)".

II. Objectives

The objectives of the project were as follows:

(a) Overall objective

The project is to prescribe a form of marketing instituions for small food producing farmers, including nomads and other livestock producers, which under existing political and social institutions, stimulate an increase in food crop and livestock production and marketing surplus. Such marketing institutions would have to have a form of functional relations with credit institutions and input supply storage, processing and distribution agencies.

(b) Detailed objectives

(i) Identify alternative marketing institutions for the various socio-economic food farmer groups and under varying conditions of infrastructural development (roads, transport, storage, water points, markets, etc.);

(ii) Determine the extent and form of government instituions and assistance required for the efficient functioning of the marketing institutions;

(iii) Determine the type of personnel and facilities required for the establishment of new or for the modification of existing institutions; and prescribe the type of necessary training required for the marketing personnel;

(iv) Propose a marketing extension programme for farmers and prescribe a market information service addressed to small food crops farmers and nomads and other livestock producers;

(v) Prescribe the form of functional link between the marketing institutions and the credit, input supply and extension service.

III. Project activities

The project commenced in November 1979 and ended in June 1982. A major emphasis has been on promotional and sensitizing activities to create awareness of the problem and possible solutions among African countries. In December 1979, a mission was sent to Rome (FAO Headquarters) for briefing and all marketing programmes in Africa, within the context of the special relationship between FAO and the Joint ECA/FAO Agriculture Division. Meetings and discussions were held with officials of the relevant FAO Divisions on Agricultural marketing activities in Africa.

As far as Lusaka MULPOC is concerned, in January 1980, a mission was undertaken to attend officials and ministerial meetings in Gaborone to introduce project

objectives and solicit support and co-operation of MULPOC member countries. Delegates at the MULPOC meeting expressed their enthusiasm about the project. The Lusaka ministers decided to include the marketing project in their programme of work. In 1981, follow-up missions were undertaken to Botswana, Mozambique and Zimbabwe with the following objective in mind:

(a) Introduction and discussions on the marketing project at the country level;

(b) The Lagos Plan of Action and progress in its implementation;

(c) Monitoring state of preparedness by countries for the proposed food losses expert consultation workshop for countries of East and Southern Africa;

(d) Implementation of the regional food plan for Africa (AFFLAN), at the country level;

(e) To brief governments and research institutions on the origin, objectives and implementation status of the project on the subregional maize research and distribution centre and round countries reduction and proposals for successful establishment of the centre, emphasizing the role of marketing institutions in input supply to farmers.

In March, April 1982, country missions were undertaken to Lesotho, Mozambique and Swaziland on agricultural marketing institutions and the proposed project on the development of indigenous entrepreneurs and their relation to price income policies and rural development and the implementation of AFPLAN and LPA as well as steps being taken at the national level with regard to the East/Southern African consultation on post-harvest food losses and the maize research and distribution centre for the region. Missions to countries revealed general lack of awareness of the various plans and programmes and their limited implementation. These missions were useful in expounding further on ECA's programmes and priorities particularly with respect to marketing and post-harvest food losses programmes.

The project has been well received by all the MULPOC organs and, in the case of the Lusaka MULPOC which first included the project in its work programme in January 1980, it was to be retained during 1982-1983.

IV. Conclusion

During its period of two-and-a-half years, the project has been able to formulate a more detailed and comprehensive five years programme on the development of African indigenous entrepreneurs and co-operatives servicing small farmers. Relevant project emphasizing the need for free trade and co-operative has also been prepared. The project "improvement of Agricultural Marketing institutions for food crops and livestock produced by small farmers" has been able to cover activities in many of ECA member States.

The project on the development of African indigenous entrepreneurs and co-operatives is still waiting for funding from donors. The Joint ECA/FAO Agriculture Division is actively engaged in preparing projects, which, if implemented, should gear to stimulating the development of the African indigenous entrepreneurs and co-operative servicing small farmers who represent 70 per cent of the population. Although the

future activities of the two proposed projects are yet to be decided upon, member States who, though MULPOC have already incorporated the institutions project in their work programme (1982-83), should indicate their areas of priority that ECA could assist in implementing the marketing programme and projects of the subregion.

AGRICULTURAL PRICING POLICIES IN AFRICA

I. Background

The food situation in the African continent is a serious problem. Africa has now replaced Asia as the world's principal food aid recipient in spite of the fact that its population is only about one-fifth that of Asia. The African region receives 50 per cent or 4.3 million tons of all cereal food aid as against 6 per cent in the 1970s.

The number of severely hungry and malnourished people in Africa has increased, growing from 70 million in 1969-1971 to 83 million in 1972-1974 and the present figure could reach 100 million people. The region self-sufficiency ratio (SSR) in regard to food commodities declined from 98 per cent in 1962-1964 to 90 per cent in 1972-1974. Concerning cereals, the SSR declined from 83 per cent in 1972-1974 to 73 per cent in 1982. The reasons for low growth of food production in Africa are various and complex. But it has been indicated that the insufficient cultivation of acreages arising from poor and unattractive prices and other incentives for food items is among the leading ones.

Due to the poor food situation in the region, the government of African countries in collaboration with FAO and ECA in 1978 drew-up the Regional Food Plan for Africa (AFPLAN). Many recommendations were made in the AFPLAN, among which, an improvement in the pricing policies in order to correct the growing disparity between farmer's incomes and urban industrial workers was given special emphasis. The need to stabilize producer prices in addition to providing them with other sufficient and equitable incentives is also essential if African countries are to encourage farmers to increase food production in order to meet the desired objective of self-sufficiency in major commodities before the year 2000.

The Lagos Plan of Action (LPA) strongly recommended that "member States formulate and apply effective and coherent policies to ensure that prices of farm input and farm produce provide an adequate incentive for increasing food production particularly by small farmers, while safeguarding the interests of the poor consumer at the same time.... efforts should be made to reduce the widening gaps in income between rural and urban populations as well as those between the rich and the poor in rural areas".

Quite often, national economic and agricultural policies are sometimes in conflict with the objectives of improved self-reliance and accessibility. Hence, well designed food production undertakings often result in poor performance due to lack of economic incentives and stability. Although agricultural pricing policies have been recognized by many African countries as a major strategy for promoting agricultural development, very few attempts have been made to study in a systematic manner the net effect of government pricing policies on agricultural production, agricultural income and their impact on the overall national economic growth and development.

The Director-General of FAO therefore decided in November 1982 to initiate a high-priority FAO study of price policies and other incentives conducive to increased food production and improved nutrition in developing countries. The Joint ECA/FAO Agriculture Division has been given this responsibility to carry out this study covering the countries of the African region.

As the regional self-sufficiency ratio is particularly critical for cereals, the initial step taken by the Joint ECA/FAO Agriculture Division has been to study cereal pricing policies hoping that this study would generate results which would be put on a varieties of uses to assist member States in planning their development. One study, the first one, covering Kenya has so far been completed. This study is entitled "Agricultural Pricing Policies in Africa: The Kenyan Experience".

II. Objectives of the study

The primary objective of the study is principally to review critically the present cereals pricing policies and system in Africa and to assess their net effects on agricultural production, consumption and to overall national economy.

The specific objectives are to:

(a) Review the existing cereal pricing system and policies in selected countries for the five ECA subregions bearing in mind:

(i) the types and extent of governmental intervention;

(ii) the declared objective of such policy and the nationale behind government intervention;

(iii) the methods adopted by governments in the price determination or price intervention; and

(iv) the instruments used in administering these prices.

(b) Examine and assess the effects of government intervention price measures on cereals production, consumption, adoption of improved technology, farmer's income and resource allocation.

(c) Suggest the best approach and methodologies to be followed in the study in the light of available data, convenience and effectiveness of methods selected.

III. Activities of the Kenyan study

The draft report on this study on Kenya was completed in June 1983. The study made an analytical framework and methodology for assessing the effects of cereals pricing policies and subsidies in Kenya. If, therefore, reviewed the agricultural economy of Kenya, cereal production, consumption and trade situation. The study also reviewed cereal pricing policies in the country, and their effects on cereal production, adoption of technology, etc.

IV. Findings of the study

The study made pertinent recommendations geared to increasing cereal production in Kenya. It indicated inter-alia, that:

The pricing policy in Kenya could be singled out as one of the main factors affecting cereal production. Its effectiveness could be greatly increased if the following issues are resolved. First, the policy-makers should fully understand the role the pricing policy plays in the development of agriculture and expansion of food production. Prices have to be determined in a systematic and scientific manner, taking into consideration their effect not only on agricultural production, but on the whole economy. Ad hoc work on this matter leads to disastrous results as proven by experience. Secondly, to reconcile the multiplicity of the objectives which the agricultural price policy tends to pursue and minimize their conflict through ranking of the objectives and effecting implementation in a consistent manner. Thirdly, timely changes of prices and timely announcement are as important as appropriate price levels. Fourthly, prices alone are not enough to bring about the desired changes in agricultural production. A conducive atmosphere should be created through better marketing facilities, prevalence of competitive markets, satisfactory supporting services such as credit, storage, good information system, transport and existence of an atmosphere of confidence in the prevailing economic and political systems.

In order to minimize the conflicts in the pricing policy objectives of maximizing farmers' income and minimizing consumer prices, it is recommended that the composition of the interministerial price review committee should be enlarged to include representatives of the small farmers co-operatives, those of the NCPB, and the Price Control Unit of the Ministry of Finance. The inclusion of farmers representatives in the price review committee will ensure that the interest of the small farmers is well accommodated. This is so because small farmers are less vocal and articulate than the urban consumers who are more organized and whose interest is always championed by governments.

One major problem in the cereal pricing system is that of determining the ideal producers price for each cereal. At present, import parity is the main criterion used in producer price determination. While this criterion may be satisfactory, it is not an absolutely full proof. What is recommended is that the price review committee should use all the three criteria, i.e., the import-parity, cost of production, and export parity criteria in arriving at a producer price to be recommended for each cereal. The use of these three criteria will ensure that both domestic cost, foreign cost, and comparative advantage positions are fully considered in the final determination of cereal producer prices.

A critical problem in the present cereal price administration is the delay in payments for produce delivered to the National Cereals and Produce Board. This delay, in payment often takes up to 3 months and because of this lack of prompt payment, some maize farmers prefer to sell to local traders and consumers at prices different from the gazetted producer prices. In order to ameliorate the situation, substantive and adequate funds should be provided to NCPB who should be duty bound to pay for cereal produce immediately after delivery.

One major criticism of the existing cereal pricing system is its failure to include sorghum and millet in the list of commodities concerned. At present, these two commodities account for over 12 per cent of Kenya's cereal output and they are nutritionally suitable for consumption among the Kenyan population. As a good food security measure, and as a means of encouraging domestic production of these two cereals, their prices should be included in the cereal price control list of the government.

Besides the pricing policies, other special incentives should be provided to encourage small farmers. These include better education of farmers through agricultural extension work (so as to know the best way of improving their cereal production) as well as provision of credit facilities to ensure the rapid adoption of improved technology. These other incentives are complementary to a favourable pricing policy and they are likely to provide the necessary conditions for the desired expansion of cereal production in Kenya.

V. Follow-up of study

A number of agencies have sent their comments on the study. Comments from the Kenya Government are still awaited before we can finalize the report as without these comments the report cannot be put in final form.

The findings of this study have general applicability in many countries of Africa. The discussion on the conclusions of the report should therefore be given serious attention as based on these findings ECA will extend this coverage to other countries in the region. In this connexion, the meeting may therefore wish to give general guidelines on the general direction with regard to future studies in pricing policies and development in Africa.

ECA/FAO PROJECT ANALYSIS TRAINING SEMINAR FOR EASTERN AND SOUTHERN AFRICA SUBREGION

Introduction

The imperative need for food and agricultural development in Africa is well recognized. Heads of State and Government in adopting the Lagos Plan of Action gave the highest priority to the development of the agricultural sector. This calls for, besides other measures, training of manpower at all levels. The need for training is particularly acute in respect of project analysis in all its phases. This includes project identification, formulation, implementation, execution, monitoring and evaluation. Low investment absorptive capacities particularly in African countries is the result of shortcomings in the various project phases. In Eastern and Southern Africa, in the field of project analysis, available data suggests that there is high rate of expatriate staff; vacant posts; project delays or slow project implementation; and turn over of most highly qualified staffs. This is true both in respect of national governments and the African intergovernmental organizations.

The Lagos Plan of Action, the Regional Food Plan for Africa, the Twelfth FAO Regional Conference of the African Ministers and the ECA Report of the Evaluation of Programmes and Projects of African Intergovernmental Organizations emphasized the urgent need for training in this field. Accordingly, the Sixth meeting of the Lusaka MULPOC Council of Ministers recommended that the project analysis course should be conducted by the ECA and FAO in collaboration with the other regional and international organizations, for the Eastern and Southern African countries.

Action taken by the ECA

In order to comply with the recommendations of the Sixth meeting of the Lusaka Council of Ministers, the ECA Secretariat prepared a project document, reproduced at the end of this section, for possible funding by donors. In view of importance of the subject to the African continent, a number of donors have shown interest in the project and the ECA is hopeful of obtaining funds soon. This would enable the ECA, in collaboration with the FAO, to hold the seminar in the near future. In addition, ECA is exploring the possibility of holding another seminar for the African participants, in India a country which has made considerable advance in planning and policy and project analysis.

Conclusions

In order to obtain funds from the donors, almost invariably it is essential to convince the donors that the Governments concerned are really interested in their project and that the funds would be well utilized. For this reason, normally the Governments need to make some contribution, howsoever small that may be to every undertaking for which funds are sought. It is, therefore, desirable that the Governments decide to cover the travel and subsistance costs of participants.

PROJECT OF THE GOVERNMENTS OF THE AFRICAN REGION

PROJECT DOCUMENT

Title:	ECA/FAO Project Analysis Training Seminar for Eastern and Southern Africa Subregion
Project No.:	
Sector:	05 Agriculture, Forestry and Fisheries
Sub-sector:	
Executing Agency:	Economic Commission for Africa (ECA) (in collaboration with FAO)
Inputs by Donors:	US$202,300
Government Co-operating Agencies:	Ministries of Planning, Agriculture, and Rural Development in participating countries

Signed:

_____ _____

On behalf of the Executing Agency — Date

_____ _____

On behalf of Donors — Date

PART I LEGAL CONTEXT

Not applicable

PART II THE PROJECT

A. Development objectives

Following the guidelines set up in Regional Food Plan for Africa and the Lagos Plan of Action, the long-term objectives are:

1. To improve project analysis capability of member States;
2. To build within each country and the African intergovernmental organizations of the Eastern and Southern Africa MULPOC subregions, comprising 18 States, a body of staff capable of dealing efficiently with all aspects of a project cycle, namely, identification, formulation, appraisal, implementation, monitoring and evaluation;
3. To improve the role and effectiveness of respective governments and inter-governmental organizations, in rural development in general and food and agriculture development in particular.

B. Immediate objective

The immediate objective of the project is to provide training and to create framework for exchange of experiences among participants from Eastern and Southern African States in the fields of project identification, formulation, implementation, monitoring and evaluation for improved performance of food and agricultural, agro-industrial and rural development projects.

The holding of a joint seminar for the subregion will familiarize the participants with the problems and solutions of each others and promote the establishment of co-operative programmes for mutual benefit.

C. Background and justification

Development, in the final analysis, boils down to the implementation of well directed and co-ordinated policy actions, programmes and projects.

For Eastern and Southern Africa and indeed for the whole of Africa, food self-sufficiency is a major target of 1980s. The Regional Food Plan for Africa, the Report on the Evaluation of Programmes and Projects of Intergovernmental Organizations (in Africa) including those with headquarters in the Lusaka MULPOC subregion, and the Lagos Plan of Action, all indicated that shortages of professional and technical staff constitute principal constraints to food and agriculture development in Africa. These reports pointed out the inability of African governments to adequately formulate, prepare for funding, monitor, execute and evaluate relevant development projects and programmes.

The lack of skilled "cadres" results in slow rate of obtaining and effectively allocating increased resources to food and agriculture. In order to alleviate this particular problem and to accelerate the building up of the capacity for identification, preparation, execution, monitoring and evaluation of projects, the Economic Summit of the Heads of State and Government of Africa emphasized that "high priority should be given to training aimed at building capabilities in project analysis and management". Accordingly, the holding of subregional and regional seminars/workshops for this purpose was recommended by the Economic Summit. Thus, the present project was designed to deal with the training of participants from Eastern and Southern Africa subregion in the field of project analysis.

D. Outputs

The expected output will be to train not less than 18 and no more than 36 officials of government and intergovernmental organizations in the identification, preparation, appraisal, implementation, monitoring and evaluation of food, agriculture, and rural development projects.

E. Activities

1.	Planning and Organization of the Course:	4 months
2.	Project Analysis Course:	1 month
3.	Assessment report:	1 month

F. Inputs

1. Governments inputs

Participating governments may choose to nominate up to two persons. Travel expense and per diem will be paid for one nominee only by the project (item 4.4).

2. Intergovernmental Organizations

Salaries, travel expenses and per diem of their nominees.

3. Lusaka MULPOC

Two work/month secretarial facilities
Other facilities

4. Donors

		Cost $US
4.1	Consultants and interpreters	
(i)	Three consultants three w/m	24,000
(ii)	Four interpreters four w/m	32,000

4.2 Administrative support	Cost $US
Provision is made for the recruitment of a bilingual secretary 12 w/m	12,000
4.3 Mission costs	
Provision of $US50,000 is made for the ECA/FAO staff for participation in preparatory mission and later in the mission for the course	50,000
4.4 Participants	
Provision is made for payment of travel expenses and per diem for one nominee per country	50,000
4.5 Miscellaneous	
Provision is made for translation, printing telegrammes, telephone calls and postage	8,000

5. ECA

In addition to the provision of technical staff from JEFAD, as listed below, ECA will be responsible for full backstopping and the project will have the advantage of other ECA programmes and projects.

8 work/months of professional staff

4 work/months secretarial facilities in Addis Ababa

G. Preparation of the work plan

The outline of the course programme is enclosed as Appendix I. The work plan for the implementation of the Project will be prepared by the Project Co-ordinator in the Joint ECA/FAO Agriculture Division. This will be done at the start of the project and will form part of the project document as Appendix II.

H. Preparation of framework for participation of international staff

This section is not applicable.

I. Development support communication

Provision is made for preparation, translation, printing and distribution of lecture and class materials.

J. Institutional framework

The project will be executed through the Joint ECA/FAO Agriculture Division with the necessary technical support of FAO.

K. Prior obligations and prerequisites

This section is not applicable.

L. Future assistance of the Donors

The Training Seminar will subsequently be expanded, if funds are available to cover the other four subregions: North Africa, West Africa, Central Africa and the Great Lakes.

PART III SCHEDULES OF MONITORING EVALUATION AND REPORTS

A. Tripartite monitoring review technical reviews

This section is not applicable.

B. Evaluation

The project will be subject to evaluation, in accordance with the policies and procedures established for the purpose. The organization, terms of reference and timing of the evaluation will be determined by Donors, ECA and FAO.

C. Progress and terminal reports

ECA will produce a technical terminal report upon completion of the project.

PART IV PROJECT BUDGET COVERING CONTRIBUTION BY DONORS

Region: Africa

Sub-region: Eastern and Southern Africa (Lusaka-based MULPOC)

Project No.:

Project title: ECA/FAO Project Analysis Course for Eastern and Southern Africa Subregion

		Total		1983/84	
		W/M	$US	W/M	$US
11.00	Consultant	3	24,000	3	24,000
13.00	Adm. Sup. Personnel	12	12,000	12	12,000
15.00	Travel and per diem		100,000		100,000
16.00	Other costs		8,000		8,000
32.00	Interpreters	4	32,000	4	32,000
99.00	Overhead charges		26,300		26,300
		19	202,300		202,300

APPENDIX I

OUTLINE OF COURSE PROGRAMME

I. INTRODUCTION

- The course in perspective
- The development process in Africa - perspectives and constraints
- ECA role (in the UN system and Africa)
- Course presentation

II. PROJECT CYCLE AND PROJECT IDENTIFICATION

- The project cycle
- Steps in project identification and selection:

  National development orientation and sectoral objectives
  Needs to be fulfilled and development constraints
  Selection of priority sectors
  Project ideas and their stage of development
  Selection of ideas
  Project plan (first approximation)
  Decision to undertake preparation

III. CRITERIA FOR THE ANALYSIS OF PROJECT WORTH

- Identifying costs and benefits, project cash flow
- Time value of money (discounting, compounding techniques)
- Efficiency indicators of individual production factors capital, land, labour, foreign currency, others
- Global efficiency indicator (B/C)

IV. FORMULATION AND APPRAISAL OF AGRICULTURAL PROJECTS

- Analysis and diagnosis of present situation:

  Natural environment (soil, climate, water)
  Institutions - (technical assistance, public and private credit, marketing)
  Markets and prices
  Farms, production and technology in the present situation
  Farm survey (collection of data, analysis and diagnosis)

- Evaluation of past experience
- Setting of project targets
- Definition of alternative strategies:

  Production technology by farm type (rotation, assets, inputs)
  Project components (credit, extension, marketing)

- Schedule of project implementation by components
- Financial and economic analysis:

  Profitability at farm level (farm budgets, indicators) and from the point of view of each concerned project agent
  Profitability at project level (aggregation of farm models, indicators)

- Project organization and management
- Financing
- Preparation of project document
- Case studies

V. PREPARATION FOR PROJECT IMPLEMENTATION AND MONITORING

- Network scheduling and monitoring techniques

  Steps in network scheduling and monitoring
  Logic diagrams
  Time analysis
  Resources allocation
  Updating

- Case studies
- Project implementation and supervision: some lessons from experience

VI. PROJECT DOCUMENT WRITING

- General guidelines for better report writing
  Guidelines for project presentation to international financing and technical assistance organization UNDP, FAO/TCP, NORAD, CIDA, IFAD, World Bank
- Case studies

INSTITUTIONAL PROBLEMS OF SMALL FARMERS

Introduction

This study was initiated in 1979 and investigations were conducted in Burundi, Rwanda, Tanzania and Zambia between 1979 and 1981. The Lusaka based-MULPOC at its Council meeting in March 1982, recommended that the study be extended to other countries not covered previously. Accordingly, a consultant undertook a study to assess the organization and functions of agricultural support services vis-a-vis the needs and problems of small-farmers from 18 August to 23 October 1983 in Botswana, Lesotho and Swaziland. The reports are now being finalized for distribution to the countries concerned.

Objective of the study

The emphasis of the study is small-farmers. The objectives being:

(a) improvement of the data base on the position of small-farmers with respect to the supply of agricultural support services;

(b) improvement of knowledge on the specific needs and problems of small-farmers farmers; and,

(c) improvement of the capacity of agricultural support organizations to provide better services to small-farmers.

Position of small-farmers in Africa

Although its contribution to national income varies from country to country, it is well known that agriculture dominates the economic life of Africa. It provides employment to more than 80 per cent of the labour force and with the exception of a few mineral and oil rich countries export is dominated by agriculture. Of the total farm population, the overwhelming majority are small-farmers most of whom are subsistence farmers. In many countries the small-farmers account more than 70 per cent of the farming population producing not less than 80 per cent of the total agricultural output. For instance in Ethiopia, over 90 per cent of total agricultural output originate from the small-farm sector.

This class of the agricultural population often represent the majority of the rural poor, subject to periodic famine and malnutrition. Until very recently the plight of this category of farmers and their emense potential contribution to agricultural production and employment generation had not been sufficiently realized. In the 1960's and 1970's many African countries invested heavily on large-scale commercial farms (often State controlled) and settlements which required massive outlays on mechanization and skilled manpower. In recent years, altitudes have changed and there is now strong

awareness of the needs and potentialities of small-farmers. International organizations insist on projects that benefit the small-farmers and particularly the rural poor. This change of altitude was prompted by the following factors.

(a) the need to close the growing income disparities between urban and rural families and arrest rural-urban drift which has been menacing many governments;

(b) the pressing need to feed the rapidly increasing urban population;

(c) the growing problems of poverty and malnutrition particularly in rural areas;

(c) the growing disenchantment with large-scale settlements and State-farms;

(e) the realization that increasing output and productivity of the traditional farming sector is the most effective way of creating employment for the rapidly expanding labour force; and

(f) the realization that small-farmer development is the most cost-effective agricultural development strategy and increased agricultural output.

In many Asian countries agricultural productivity increased dramatically in the late 1960's which was attributed mainly to the "Green Revolution". But in Africa the impact of the "Green Revolution" has not been noticeable. Yields of major food crops remained stagnant. In fact on small-farms yields have probably gone down. One of the major causes for the lack of progress of small-farmers appear to be weak agricultural support services. The Lagos Plan of Action (1980) puts the problem as follows: "It is well known that the lack of strong agricultural support institutions has limited the impact of technology transfer and the implementation of national and subregional programmes in the agricultural sector".

Improving knowledge and understanding of the specific role and problems associated with agricultural service institutions in the process of transferring technology to small-farmers is key to decision making. The major objective of this study is to assist planners in formulating policies pertaining to small-farmer development.

Conclusions emerging from the study

The following conclusions emerged from the studies in Botswana, Lesotho, Swaziland, Tanzania and Zambia:

(a) national plans now give emphasis to small-farmer development and the effort to achieve food self-sufficiency recognizes the critical role of small-farmers;

(b) although the importance of small-farmer development is well recognized the needs and problems of small-farmers do not appear to be clearly understood. In some countries farming systems researchs are being implemented to try to understand the complex nature and inter-relationships of the various factors operating in small-farmer

agriculture and the process of decision making. But efforts are still too small to produce significant results. By and large beneficiaries of agricultural support services are large-scale farmers and limited number of small-scale progressive farmers. Socio-economic studies are generally lacking;

(c) in general, agricultural support institutions are ill-equipped financially, and in manpower and infrastructural facilities to deal effectively with the complex problesm of small-farmers (i.e. operating funds are low, rural development agents are inadequately trained, moral is low, mobility is hampered because of lack of roads and transport facilities in a situation where settlements are thinly dispersed);

(d) there is lack of co-ordination and proper integration of services (input delivery, credit facilities, marketing system, extension etc.) at the local level;

(e) agricultural support institutions lack clearly defined goals and objectives and programmes to propagate to small-farmers;

(f) with few exceptions, small-farmers are not organized and grass-root participation in decisions concerning their lives is non-existant;

(g) on-farm (location specific) research recommendations are usually lacking. Recommendations such as seed rates, fertilizer rates etc., are too global to be of any use to small-farmers located in diverse ecological zones. Frequently, these recommendations are inappropriate and returns are usually insuffient to cover costs of improved inputs;

(h) generally incentive structures to induce small-farmers to produce more and market their output are lacking. Prices are often controlled by governments and marketing is handled by monopoly buyers and the role of the private sector and co-operatives is limited.

Future activities

On the basis of the recommendations emerging from the studies pilot projects will be developed. The projects would be submitted to financial institutions and donor countries for assistance. This meeting may therefore wish to recommend that financial institutions and donor countries give due emphasis in their financing activities to the strengthening of agricultural support institutions particularly to those catering to the needs of small-farmers.